



Challenge

The Golf Division is working to be self sufficient. For 2010, our operation's loss was \$88,564. For 2011, our operation's loss was a disappointing \$61,483. However, the 3 courses, excluding Hadley Creek Golf Learning Center, was profitable by \$12,181. Our #1 job in 2012, is balancing the budget and getting Hadley Creek to contribute to profitability.

Our mission statement continues to be: **"Provide affordable golf for the community of Rochester."**

The primary role of Hadley Creek is to be an incubator for new golfers. We need to introduce golf to more beginners, provide more junior golf programs, and produce a vibrant The First Tee National Scholl Program (NSP). Paul Pehler, and Bill Watson are charged with turning Hadley into the asset everyone had hoped. In 2012, NSP will be introduced into 14 schools with 4000 kids. If 10% of these kids transition into TFT Summer Programs at Hadley, it will be a wonderful success. TFT Board is excited about the added exposure kids will get through NSP. We have many questions about providing services for 400 kids, like coaches, equipment, safety, and success. What happens if we get 800 kids?

Weather will always determine our business success. March and April 2011 were snowy and cold, July and August boiled our turf, and October, November, December offered some of the best golf weather. It seemed we did not respond quickly enough to the changing weather conditions to save all our turf during the heat. We have to be better at our turf management during stress conditions.

Analytical success will be our ability to raise revenue or trim spending sufficiently to substantially affect the bottom line. Our business plan has not varied much over the last 5 seasons. Keep prices low, work to introduce more people to the game, remove obstacles to our success and provide a quality product. It is my goal to get everyone pulling in the same direction. Our product has to compete in our market and exceed the expectations of the casual golfer. The casual golfer has to become our next new Pass holder.

2011 Actions

Our position in the Rochester golf economy appears to be in balance. Our pricing structure is stable, our golf courses continue to be in good condition, our infrastructure improvements are being noticed, and our pass holders remain faithful. Our costs are under pressure and are growing at a pace less than the accelerating revenue. We are providing better service with fewer staff and fewer tax dollar support.

I continue to analyze our business as if it is a check book. Don't spend what we do not have. Our bottom line has been an annual loss, however, since the fall of 2010 our check book remains positive. For instance, in November 2010, the Golf Division sold future (2011) memberships of \$150,000 and put that in the bank. We lost \$85,700 for the 2010 season, but ended the year in the black with \$64,300. In 2011, we lost \$61,500, but presold memberships again for 2012 of \$120,000. So we start 2012 with \$58,500 in the bank.

Memberships	2008	2009	2010	2011	2012
Family	\$1295	\$780	\$780	\$780	\$780
Adult	\$725	\$520	\$520	\$520	\$530
Young adult	\$420	\$350	\$350	\$350	\$360
Patron Card	\$125	\$195	\$195	\$185	\$185
Green Fees	\$25	\$25	\$24	\$24	\$25
Special Promo slow times, 2 players, 18 holes w/golf car			\$39.95	\$39.95	\$44.95

Hadley Creek

Hadley Creek is our 9 hole course, practice facility, and home to The First Tee Program. In 2009, our income was \$98,084. In 2010, our revenue was \$133,202 a 36% increase. For 2011, our revenue was \$151,100 or up 12%. We had 125 kids participate in TFT. TFT Outreach at Eastwood and Northern Hills had another 200 kids participate. If the kids can't come to our program, we will take it to their back yards in 2012. New for Hadley Creek is a 500' X 60' containment net on the driving range. It seemed to have appeased the neighbors from the golf ball trespass issues. We have addressed our other neighbor problem by moving the tee forward on hole 5.

Eastwood

Eastwood hosted the Senior Women's Minnesota Golf Association Championship for 3 days in June. It was a wonderful event for our flagship golf course. Reviews were very good for service, esthetics, course condition, and professionalism. Our staff really wanted to showcase their course and talents, and they did not disappoint anyone. It has been proposed to host the Senior Men's MGA Championship in the near future.

Soldiers Field

The old course continues to work on an automated fairway irrigation system. The gardens around the club house were rebuilt using Eagle Scout Project labor. The north side of the club house was repainted and made a wonderful improvement from the parking lot. We will paint the remaining exterior walls this summer. We have a new concessionaire for 2012, The Stadium Club, owned by Bob Plenge. He will also, challenge himself by taking over at Northern Hills, as well.

Northern Hills

The new range tee opened in early 2011. Joe Fischer continued to work on the new automated fairway irrigation system. There are only 2 fairways left to complete. The new Yamaha golf cars continue to work and will provide a steady stream of income for 7–10 years. We will finish a security fenced area under the club house deck to store the golf cars. We opened a new 4500 ft sq. putting green and chipping area near the new range tee. Mike Manahan and Jeff Gorman did a great job for the city in 2010.

